

IN THE SPECIFICATION

On page 2, after the title, please amend the following paragraph.

D1 This is a divisional of application Serial No. [[_____]] 09/784,928, filed on February 15, 2001, entitled "A Memory Usage Scheme for Performing Wavelet Processing," and assigned to the corporate assignee of the present invention.

Please amend the paragraph beginning on page 49, line 6 as indicated below.

D2 Once a codestream is created, it may be desirable to edit parts of the image. That is, for example, after performing encoding to create the codestream, a set of tiles may be decoded. After decoding the set of ~~times~~ tiles, editing may be performed, followed by encoding the set of tiles with the edits to the same size as the encoded tiles were prior to their decoding. Examples of typical editing include sharpening of text and removing "red-eye." The JPEG 2000 codestream can be edited in memory or in a disk file system without rewriting the entire codestream.

Please amend the third paragraph of page 67 as indicated below.

D3 To mitigate these problems, each tile of a JPEG 2000 codestream is encoded as described above with at least two layers. At the completion of encoding each tile, a number of packets (e.g., layer, resolution, precinct, tile-component) are output to the codestream as a complete tile-part. The remaining layers are stored in the buffer. A second pass through the

remaining coded data in the buffer is optional. During this second pass, extra packets from each tile are appended to the codestream as complete tile-parts as space or time allows. If in a fixed-rate application, then only packets within the given rate are appended. If in a fixed time application, then only number of cycles allowed. In on embodiment, packets of a complete tile-part in the codestream are selected based on a total bandwidth of the first and second passes and/or size of the buffer. One embodiment of this process is shown in Figure 15A.

Thus, these can be the 2 complete tile-parts output for each tile.